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People Centred Support Services, Inc.  
Financial Statements  
For The Year Ended June 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/24/03

**WILLIAM D. EDWARDS, CPA**

A PROFESSIONAL CORPORATION  
204 Harrison Drive, Suite G-4  
Baton Rouge, Louisiana 70801

People Central Support Services, Inc.  
For The Year Ended June 30, 2002

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# **WILLIAM D. EDWARDS**

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of CPAs

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
People Centered Support Services, Inc.  
Baton, Louisiana 71120

I have audited the balance sheet of People Centered Support Services, Inc., an S corporation, as of June 30, 2002, and the related statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of People Centered Support Services, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards accepted in the United States of America. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of People Centered Support Services, Inc., as of June 30, 2002, and the results of its operation and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 13, 2002, on my consideration of People Centered Support Services, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

  
Baton, Louisiana  
November 13, 2002

People Centered Support Services, Inc.  
Balance Sheet  
As of June 30, 2003

<b>ASSETS</b>	
Cash and cash equivalents	503,178
Investments	142,099
Accounts receivable - trade	185,836
Accounts receivable - officer	183,693
Due from related party	164,380
Other assets	588
Property, plant, and equipment - net	<u>7,531</u>
<b>TOTAL ASSETS</b>	<b><u>\$612,753</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>Current liabilities:</b>	
Accounts payable	\$41,542
Accrued liabilities	<u>39,532</u>
Total liabilities	81,074
<b>Stockholders' Equity:</b>	
Common stock, no par value, 5,000 shares authorized, 100 shares issued and outstanding in 2003	5,000
Retained earnings	<u>534,663</u>
Total stockholders' equity	<u>539,663</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$612,753</u></b>

See accompanying auditor's report and notes to financial statements.

## Statement B

People Centered Support Services, Inc.  
Statement of Income and Retained Earnings  
For the Year Ended June 30, 2002

<b>REVENUES</b>	
Follow along	\$72,649
Mobile crew	167,145
Vocational	312,611
Medical	782,923
Personal care attendant	29,491
Supported independent living - OCDD	12,663
Self-generated income	127,859
Other revenues	8,817
<b>TOTAL REVENUES</b>	<u>1,501,547</u>
<b>EXPENSES</b>	
Advertising	361
Dues	1,734
Licenses and permits	1,130
Auto expenses	19,416
Postage	382
Professional services	11,743
Telephone	12,886
Rent	24,943
Travel & seminar	22,437
Miscellaneous expense	3,478
Repairs and maintenance	4,433
Supplies	39,674
Utilities	13,779
Taxes - other	274
Yard expenses	5,414
Outside services	3,200
Consumer wages	88,327
Consumer supplies	45,577
Consultants	640
Depreciation	2,817
Salaries & wages	338,555
Accrued payroll	7,881
Payroll taxes	74,012
Postretirement expenses	4,873

See accompanying auditor's report and notes to financial statements.

People Centred Support Services, Inc.  
Statement of Income and Retained Earnings  
For the year ended June 30, 2012

EXPENSES (Continued)

Insurance	\$134,908
Management fee allocation	(113,945)
Non-allowable expenses	<u>48,321</u>
TOTAL EXPENSES	<u>1,187,822</u>
Operating Income	140,725

NON-OPERATING INCOME (Expense)

Dividends	95
Interest income	<u>16,317</u>
TOTAL NON-OPERATING INCOME (Expense)	<u>16,412</u>

NET INCOME	156,137
Retained earnings as of beginning of year	<u>374,524</u>
Retained earnings as of end of year	<u><u>\$534,661</u></u>

See accompanying auditor's report and notes to financial statements.

People Centared Support Services, Inc.  
Statement of Cash Flows  
For the Year Ended June 30, 2003

<b>Operating activities</b>	
Operating income	\$143,723
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation	2,017
Decrease in accounts receivable	\$1,037
Increase in due from related party	(28,049)
Increase in accounts receivable - officer	(30,836)
Increase in other assets	(75)
Increase in accounts payable	29,209
Decrease in accrued liabilities	(48,369)
Decrease in due to related party	<u>(66,381)</u>
Net cash provided by operating activities	87,178
<b>Investing activities</b>	
Purchase of investments	(50,000)
Interest income	16,287
Additions to property and equipment	<u>(1,230)</u>
Net cash provided by investing activities	(35,233)
<b>Financing activities</b>	
None	<u>0</u>
Net increase (decrease) in cash and cash equivalents	11,945
Cash and cash equivalents as of beginning of year	<u>81,233</u>
Cash and cash equivalents as of end of year	<u>93,178</u>
Taxes - cash basis	\$ - 0 -
Interest - cash basis	\$ 3,757
<b>SUMMARY</b>	
Cash in bank	<u>93,178</u>

See accompanying auditor's report and notes to financial statements.

People Centered Support Services, Inc.  
Notes to The Financial Statements  
For The Year Ended June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

People Centered Support Services, Inc.'s (an S corporation) primary business activity is to provide services by qualified staff to the targeted or waiver population to assist them in gaining access to the full range of needed services including medical, social, emotional, and other support services. The Company's primary locations are in Ruston, Louisiana; Monroe, Louisiana; and Alexandria, Louisiana. The Company is a corporation which incorporated on March 17, 1999.

Method of Accounting

The books and records are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash with an initial maturity of three months or less.

Receivables

The Company uses the direct writeoff method of recognizing bad. Management considered all accounts receivable at June 30, 2002 to be fully collectible, therefore no allowance for doubtful accounts was recorded. Although the direct write-off method is not in accordance with generally accepted accounting principles (GAAP), it approximates GAAP if all material doubtful accounts have been written off and the Company does not anticipate a significant increase in bad debts.

Fixed Assets

Fixed assets are stated at cost. Depreciation is provided on the straight line method over the estimated useful lives of the assets. The equipment is based on a useful life of 3 to 10 years. The vehicle is based on a useful life of 5 years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

People Centered Support Services, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 2002

**2. PROPERTY AND EQUIPMENT**

The following is a schedule of additions and deletions for the year ended June 30, 2002:

	Balance <u>6/30/01</u>	Additions	Deletions	Balance <u>6/30/02</u>
Equipment	\$9,036	\$1,599		\$10,635
Vehicle	1,472			1,472
Less accumulated depreciation	<u>(2,480)</u>	<u>(2,007)</u>		<u>(4,487)</u>
Total	<u>\$8,028</u>	<u>(\$408)</u>	<u>\$0</u>	<u>\$7,620</u>

**3. COMPENSATED ABSENCES**

Accrued compensated absences consist of unpaid sick leave and personal leave as follows:

Sick leave	\$3,696
Personal leave	<u>18,857</u>
Total	<u>\$12,453</u>

**4. LEASES**

For the year ended June 30, 2002, the Company did not have any capital leases.

**5. PROGRAMS**

The organization's principal programs and primary funding sources are:

**Adult Rehabilitation** - this program's income is derived from the Louisiana Department of Health and Hospitals. These funds are used to train clients in vocational and pre-vocational activities and supportive services.

**Vocational Rehabilitation** - this program's income is derived from the Department of Social Services, Office of Louisiana Rehabilitative Services. This program provides vocational training support to clients placed in jobs within the community.

**Supported Work Contracts** - this program's income is derived from services by clients which include janitorial and other contracts.

People Centered Support Services, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 2002

**Supported/Independent Living** - this program's income is derived from the Louisiana Department of Health and Hospitals. This program helps the individual clients become more independent by providing support and training in their residences within the community.

**Respite** - this program's income is derived from the Louisiana Department of Health and Hospitals. The program provides temporary care within the client's home.

**Personal Care Attendant** - this program's income is derived from the Louisiana Department of Health and Hospitals. This program provides support and training for individuals in satisfying their own personal needs.

#### 6. RELATED PARTY TRANSACTIONS

The related parties consist of one company with common ownership and one non-profit company whose executive director is the Company's 100% stockholder. The following is a summary of the due from related party transactions for the year ended June 30, 2002:

Balance, June 30, 2001	\$138,351
Management fee allocation	113,943
Payments received	(96,331)
Imputed interest @ 6%	<u>10,437</u>
Balance, June 30, 2002	<u>\$166,300</u>

The following is a summary of the due to related party transaction for the year ended June 30, 2002:

Balance, June 30, 2001	\$66,363
Payments received	<u>(89,381)</u>
Balance, June 30, 2002	<u>\$0</u>

#### 7. STOCKHOLDERS' EQUITY

	Common Stock	Paid-in Capital	Retained Earnings	Total Stockholders' Equity
July 1, 2001	\$5,000	\$0	\$174,524	\$179,524
Additions:				
Net income			<u>168,137</u>	<u>168,137</u>
June 30, 2002	<u>\$5,000</u>	<u>\$0</u>	<u>\$342,661</u>	<u>\$347,661</u>

People-Centered Support Services, Inc.  
Notes to the Financial Statements  
For the Year Ended June 30, 2002

8. SCHEDULE OF STATE GRANT FINANCIAL ASSISTANCE

Grant/Program Title	Grant I.D. number	Award Amount	Revenue recognized	Unrecognized
Louisiana Department of Health and Hospitals				
Office for Citizens with Developmental Disabilities				
Supported Living	CPMS 362440	\$16,615	\$0,000	\$4,352
Vocational and Rehabilitation Services	CPMS 158995	755,396	176,059	(852)
Total		<u>\$772,011</u>	<u>\$176,059</u>	<u>\$1,798</u>

9. SCHEDULE OF REVENUE

	State	Fees for Services	Total
Adult services	\$158,050	\$458,353	\$604,403
Respite		88,454	88,454
Residential services	12,663	164,223	176,886
Personal Care		305,583	305,583
Other		6,817	6,817
Total	<u>\$168,113</u>	<u>\$1,123,414</u>	<u>\$1,321,547</u>

10. CHANGE IN BUSINESS TYPE

The Company made an election to change to an S-corporation for income tax purposes effective March 17, 1999. The Company's income or loss is now being passed through to the stockholders' personal tax returns.

11. MARKETABLE SECURITIES

The Company has invested \$142,299 in marketable securities. These securities will be reported on a cost basis. Gains are recognized upon sale of the securities; losses at the sale of the security or upon a permanent decline in the fair market value. The summary of the cost, fair market value, and unrecognized gains or losses are reported as follows:

Cost	Fair Market Value	Unrecognized Gain (Loss)
<u>\$142,299</u>	<u>\$103,953</u>	<u>(\$38,397)</u>

## SUPPLEMENTAL INFORMATION SCHEDULES

## **WILLIAM D. EDWARDS**

*Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA, I Society of CPAs*

### **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
People Centered Support Services, Inc.  
Ruston, Louisiana

I have audited the financial statements of People Centered Support Services, Inc., an S corporation, as of and for the year ended June 30, 2002, and have issued my report thereon dated November 15, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether People Centered Support Services, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered People Centered Support Services, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Because of a limited number of available personnel, it is not possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

This report is intended solely for the information and use of the Company and any interested state agencies and is not intended to be and should not be used by anyone other than those specified parties.



Reston, Louisiana  
November 15, 2000

People Centered Support Services, Inc.  
Schedule of Findings And Questioned Costs  
For the Year Ended June 30, 2002

I have audited the financial statements of People Centered Support Services, Inc. as of and for the year ended June 30, 2002, and have issued my report thereon dated November 15, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of November 15, 2002, resulted in an unqualified opinion.

#### A. Summary of Audit Results

##### 1. Report on Internal Control and Compliance Material to the Financial Statements

###### Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable ☐ Yes ☒ No

###### Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

##### 2. Federal Awards

###### Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable ☐ Yes ☒ No

Type of Opinion On Compliance: Unqualified ☐ Qualified ☐  
For Major Programs: Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section 500(a)?  
☐ Yes ☒ No

##### 3. Identification of Major Programs:

CFDA Number(s)	Name of Federal Program (or Cluster)
NA	

Dollar threshold used to distinguish between Type A and Type B Programs: \$100,000

Is the audit a "low-risk" audit, as defined by OMB Circular A-133? ☐ Yes ☒ No

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**B. Financial Statements Findings**

None

**C. Federal Award Findings and Questioned Costs**

None

People Command Support Services, Inc.  
Summary of Prior Year Findings  
For the Year Ended June 30, 2002

Schedule 2

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

None

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

None

**C. MANAGEMENT LETTER**

None

PEOPLE CENTERED SUPPORT SERVICES, INC.  
1201 ATKINS ROAD  
RUSTON, LA 71270  
(318)255-9105

**CORRECTIVE ACTION PLAN**  
For the Year Ended June 30, 2002

People Centered Support Services, Inc. has no findings for the year ended June 30, 2002.